

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of)	
)	
Review of Section 251 Unbundling)	CC Docket No. 01-338
Obligations of Incumbent Local Exchange)	
Carriers)	
)	
Implementation of the Local Competition)	CC Docket No. 96-98
Provisions of the Telecommunications Act of)	
1996)	
)	
Deployment of Wireline Services Offering)	CC Docket No. 98-147
Advanced Telecommunications Capability)	
)	

REPLY COMMENTS OF THE FIBER-TO-THE-HOME COUNCIL

I. INTRODUCTION

1. The Fiber-to-the-Home (FTTH) Council is an association of companies working to accelerate the deployment of advanced broadband networks throughout America. The FTTH Council currently has 66 member companies (with four applications under review at this time) representing the entire FTTH value chain, including Regional Bell Operating Companies (RBOCs), competitive local exchange companies (CLECs), municipalities, equipment manufacturers, content providers, construction and engineering companies, and electronics manufacturers. The FTTH Council's member companies are listed in Appendix A.

2. The FTTH Council hereby submits the following reply comments in response to the *Notice for Proposed Rulemaking* released in the above proceeding concerning the Federal Communications Commission's (FCC's) triennial UNE review.¹ In its original comments, the FTTH Council recommended

¹ *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Deployment of Wireline Service Offering Advanced*

that the Commission should find to exempt FTTH deployments from the Section 251 unbundling, resale, and wholesale pricing rules. The FTTH Council asserted that this action would hasten the deployment of the FTTH networks necessary to satisfy consumer's demand for broadband as well as enabling never-before delivered advanced applications and services for the benefit of the American consumer.

II. SUMMARY

3. The telecommunications industry has experienced dramatic and significant changes since the FCC's last UNE proceeding. These changes have occurred for numerous reasons, some resulted from advancements in technology and services, others from alterations of business plans, and still others from the availability of capital. Yet, despite the colossal and unprecedented changes that have occurred within the industry, little has changed for the industry's two largest carrier segments with regards to their positions on the regulatory spectrum. The RBOCs have argued in their comments to the FCC that the requirement to unbundle their network has fatally hindered their ability to economically deploy digital subscriber line (DSL) services. While the CLECs have argued that they require access to as much of the RBOCs' networks as possible. These arguments, of course, are based on the assumption that antiquated, legacy networks are all the American consumer can ever hope for with regards to broadband networks and delivery of broadband services.

4. The FTTH Council disagrees with this assumption. However, the FTTH Council does recognize the extreme polarity of the UNE debate and also understands that any emerging next-generation network plans will become stuck in this political quagmire for a very long time to come. This delay will ultimately choke the American consumer's options for bandwidth delivery down to, at best, two indistinguishable, antiquated, bandwidth-limited, narrowband solutions riding over the same legacy networks that existed long before the first computer was even envisioned. The FTTH Council also disagrees with the perception that the best solution for the American consumer lies at either extremity of the regulatory spectrum described in the previous paragraph, i.e. the RBOCs or CLECs diametrically

Telecommunications Capability, Notice of Proposed Rulemaking, CC Docket Nos. 01-338, 96-98, 98-147, FCC 01-361 (rel. Dec. 20, 2001) ("*NPRM*").

opposed arguments. The FTTH Council is certain the best solution for the American consumer does not fall at either extremity but somewhere in the middle.

5. It is the FTTH Council's position that the ideal outcome for the American consumer with regards to the delivery of broadband networks and services is for the FCC to remove all UNE regulation from existing and future FTTH networks. FTTH being defined as "an optical access network in which the optical network unit is on or within the customer's premises."² This position is extremely similar to recent comments filed by Corning Incorporated.³ Corning's comments not only mirrored the FTTH Council's comments, but also included a very detailed and compelling study on the effects of regulation on FTTH deployments by Cambridge Strategic Management Group (CSMG). CSMG's work demonstrated using real market-based analysis that FTTH could potentially be deployed six times more extensively under a deregulated scenario than under today's UNE regulated environment. This analysis clearly supports the FTTH Council's past comments to the FCC that UNE regulation is hindering the deployment of FTTH networks. Therefore, the FTTH Council fully endorses the analysis conducted by CSMG and wholeheartedly urges the FCC to make this document critical reference material as the Commission determines the future of UNE regulation in regards to existing and future FTTH networks.

Respectfully submitted on behalf of our members,

THE FTTH COUNCIL

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² www.ftthcouncil.org, Telecommunications Definition List

³ See Comments of Corning, Inc. in Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket Nos. 01-338, 96-98, and 98-147.

ATTACHMENT A

Listing of the FTTH Council member companies:

3M	Marconi
Adesta Communications	MCSi
AFL Telecommunications	Motorola BCS
Agere	NEC Eluminant Technologies
Alcatel	Neptec Optical Solutions
Alloptic	Nexans
Alpha Technologies	OFS Fitel
American Power Conversion	Oki Network Technologies
Arris	Optical Solutions
Asset Analytics	Orius Corp
Atlantic Engineering Group	Paceon
Bechtel Telecommunications	Packetfront Sweden AB
Bristol Virginia Utilities	Philips Digital Networks/Crypto Tec Division
BroadbandConnect, Inc.	Pirelli
Broadcom Corp	PurOptix
Charles Machine Works	Samsung Electronics Co., Ltd.
Chelan County Public Utility District No. 1	SandStream Communications & Entertainment
Cisco Systems	SBC Communications
CommScope	Science Applications International Corp
CopperCom	Scientific Atlanta
Corecess	Sumitomo Electric Lightwave
Corning Incorporated	TDK Corporation
Dalton Utilities	Team Fishel
DynamicCity Metronet Advisors	Telework Consortium
Eagle Broadband	Tetra Tech Communications
Essex Corp.	Tropic Networks
FiberCore	TVC Communications
FTTX Systems	Tyco Electronics
Gould Fiber Optics	Verizon
IMC Networks	Volex Inc.
Irdeto Access	Wave7Optics
iWired	Worldwide Packets
Luminent Inc.	Zero dB